



Leading the **ZE**volution™

2022 Q3 Results



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Cautionary Statement

Certain statements in this presentation are “forward looking statements,” which reflect the expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are made as of the date of this presentation and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws. See the Appendix to this presentation for more details about the forward-looking statements.

In addition, certain financial measures used in this presentation, including but not limited to, Backlog, Liquidity, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow are not recognized earnings measures and do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). Therefore, they may not be comparable to similar measures presented by other issuers. See the Appendix to this presentation and the Company's related Management Discussion & Analysis (“MD&A”), available on SEDAR (www.sedar.com) for more information and detailed reconciliation to the applicable IFRS measures.

All figures in U.S. dollars unless otherwise noted.



Key Terms

- Buses manufactured by New Flyer and ADL's single and double deck buses are classified as "**transit buses**". ARBOC manufactures body on-chassis or "**cutaway**" and "**medium-duty**" buses that service transit, paratransit, and shuttle applications. Collectively, transit buses, medium-duty buses and cutaways, are referred to as "**buses**".
- A "**motor coach**" or "**coach**" is a 35-foot to 45-foot over-the-highway bus typically used for intercity transportation and travel over longer distances than heavy-duty transit buses and is typically characterized by (i) high deck floor, (ii) baggage compartment under the floor, (iii) high-backed seats with a coach-style interior (often including a lavatory), and (iv) no room for standing passengers.
- **Zero-emission buses** ("**ZEBs**") consist of trolley-electric, hydrogen fuel cell-electric, and battery-electric buses and coaches.
- One **equivalent unit** (or "**EU**") represents one production "slot", being one 30-foot, 35-foot, 40-foot, 45-foot heavy-duty transit bus, one double deck bus, one medium-duty bus, one cutaway bus or one motor coach, whereas one articulated transit bus represents two equivalent units. An articulated transit bus is an extra-long transit bus (approximately 60-feet in length), composed of two passenger compartments connected by a joint mechanism. The joint mechanism allows the vehicle to bend when the bus turns a corner yet have a continuous interior.
- Many public customer contracts include options to purchase transit buses and motor coaches in the future, and a large portion of the Company's order book is represented by "**options**" as opposed to "**firm orders**."

Who is NFI?

NFI is a global independent bus and motor coach solution provider that is leading the evolution to zero-emission mobility.

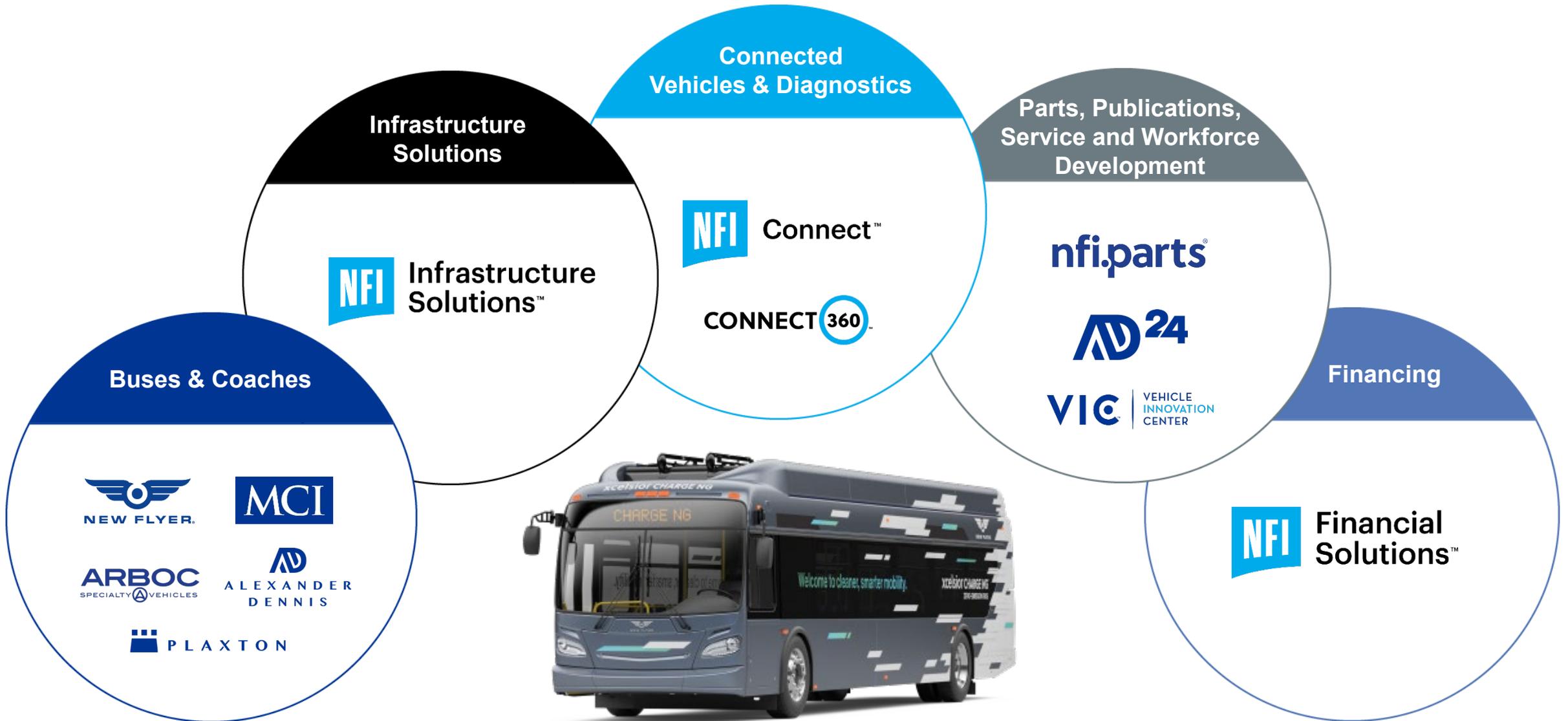


Market and technology leader in each of our major markets.



A better product.
A better workplace.
A better world.

From "Selling Buses" to providing "Mobility Solutions"



2022 Q3 Summary

→ Third quarter results:

- Manufacturing: impacted by inflation and supply chain related operational inefficiencies
- ZEBs: 13% of 2022 Q3 deliveries were ZEBs, 21% of backlog ZEBs, over 85 million electric service miles completed, and over 330 EV chargers installed for a total of over 55 MW (120 new chargers anticipated for 2023)
- Aftermarket: revenue flat year-over-year; Adjusted EBITDA down due to inflation on freight and part costs

→ Significant increases in demand:

- North American active public bid universe up 14% year-over-year; ZEBs now represent 48% of the total Bid Universe
- Year-over-year order growth decline due to timing, but bid awards pending of 1,360 EUs, positioning NFI for new orders in 2022 Q4
- Record level of active bids at 10,107 EUs; record bids submitted of 7,226 EUs in 2022 Q3
- Total backlog of 8,505 EUs (\$4.9 billion¹), decrease from 2022 Q2, driven by timing of awards (1,360 EUs in bid award pending) and higher option expiries (largely older diesel options)

→ NFI Forward, the Company's strategic cost reduction and sourcing initiative, realized Adjusted EBITDA¹ savings of \$15M in 2022 Q3 and a further \$3M of Free Cash Flow¹ savings in 2022 Q3; expect to achieve \$67M annualized run rate (from 2019 levels) by year end

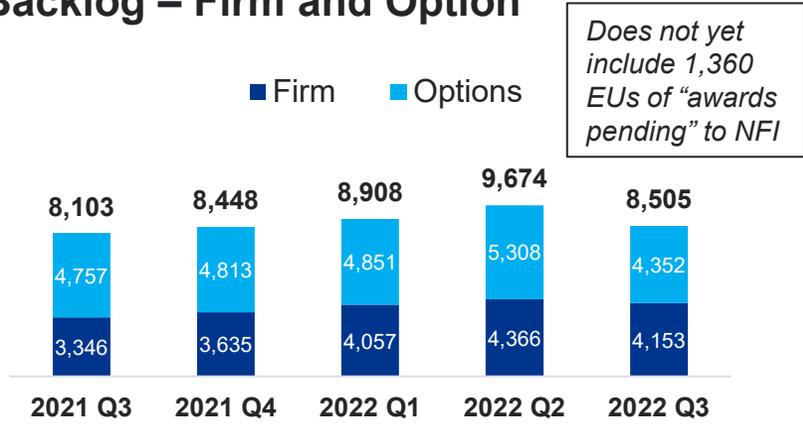
→ Export Development Canada ("EDC"), a member of NFI's banking syndicate, and the Government of Manitoba both working with NFI to strengthen its liquidity during this period of disruption

→ Continuing detailed discussions with banking syndicate and government partners on credit facility covenant relief and financing solutions

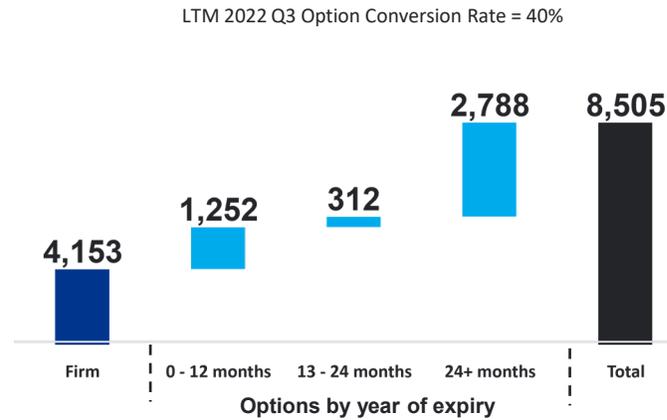
Backlog and Deliveries 2022 Update

Backlog: 2022 Q3
EUS

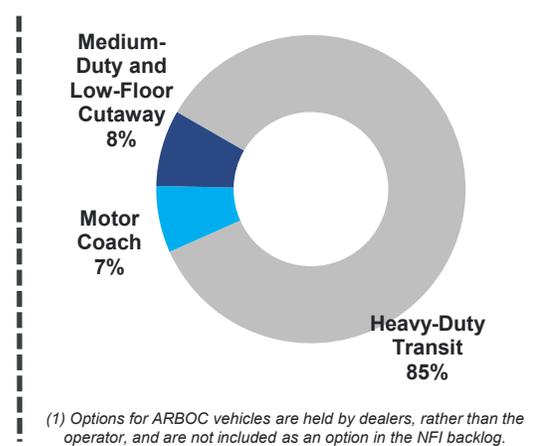
Backlog – Firm and Option



Backlog – Timing

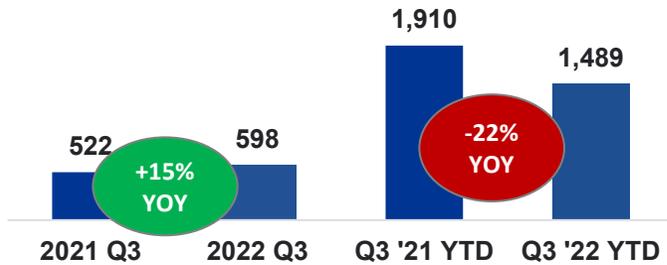


Backlog – By Product

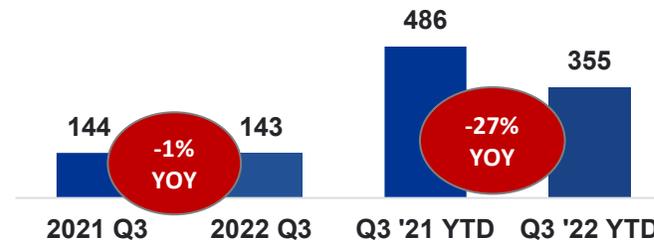


Deliveries: 2022 Q3
EUS

Heavy-Duty Transit



Coach



Low-Floor Cutaway and Medium-Duty



Headwinds: Inflation and FX

Inflation

At the end of 2022 Q3:

- **Firm Orders were 49% of backlog (some exposure)**
 - **Option Orders were 51% of backlog (limited exposure)**
- On vehicle contracts, NFI makes estimates for inflation between the time of award and manufacturing
- On some historic contracts (originally bid in 2020 and 2021), actual costs have exceeded Company estimates due to heightened inflation
- NFI has taken several actions in response:
- New Flyer requested a pricing surcharge on 2022 and 2023 non-PPI (Purchase Price Index) pricing from customers, to reflect higher costs of input components
 - Working with customers to secure prepayments and/or milestone deposits; realized \$42M in benefits as of 2022 Q3
 - Current bids now reflective of actual inflation
 - Increased inflation assumptions for future year builds
- Majority of option orders are repriced at time of exercise; PPI adjustment applied at time of exercise, factoring in inflation
- Inflation primarily impacts 2022, but will see some drag into 2023

FX

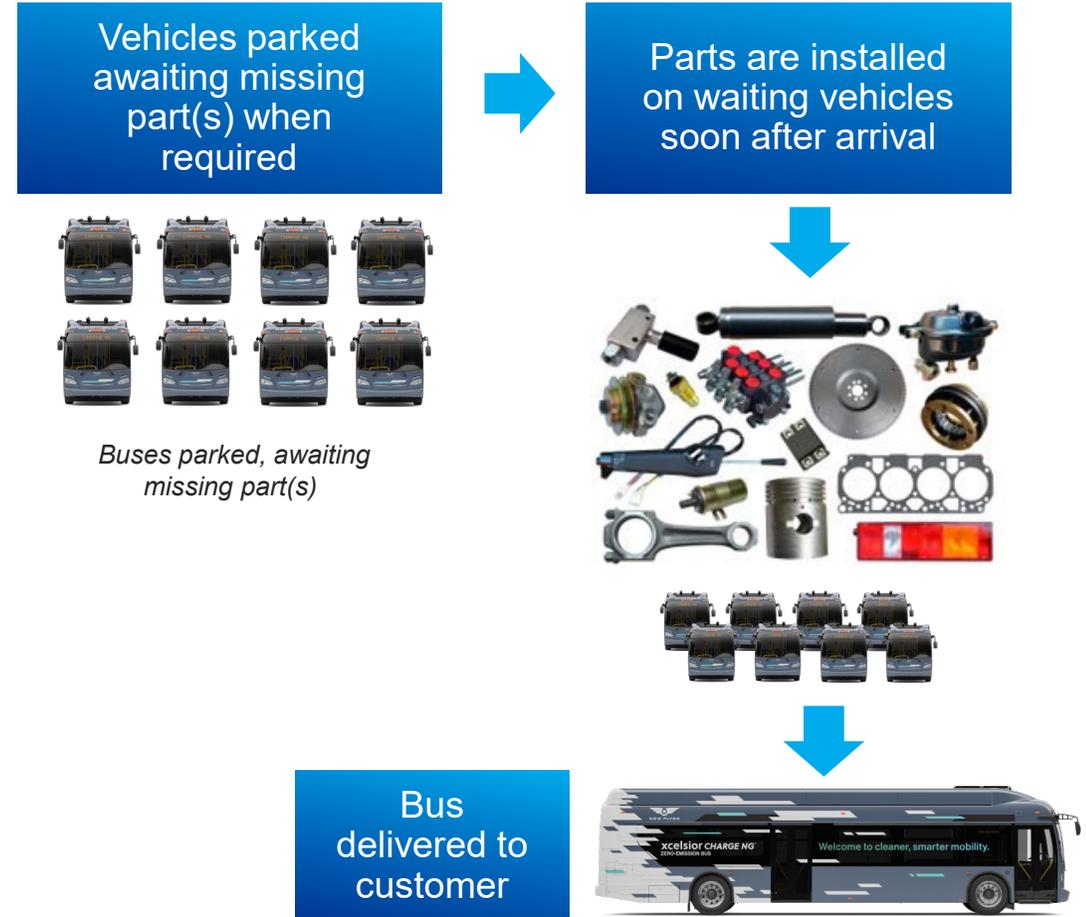
Impacts of a strong USD:

- **Benefit to labour and interest costs; negative impact to vehicle and aftermarket contracts priced in Canadian dollars**
- NFI's reported results are impacted by fluctuations in exchange rates
- Bids and orders are typically priced in their local markets
- Have hedges in place to offset exposure, but will likely see some impact on certain contracts given rapid rise in U.S. dollar
- Tailwinds and headwinds vary depending on which dollar is strongest
- In North America, typical revenue is 80-90% U.S. / 10-20% Canadian; bulk of all material and components come from the U.S.
 - Labour can be a benefit but is often offset by materials
 - In UK, majority of cost is in GBP; revenue is also in GBP, then translated back to USD
- Could be some negative exposure on 2023 Canadian orders if USD remains high
- On the debt side, NFI's revolver is in USD, the convertible debentures are in CAD (benefit from stronger USD), and the UK revolver is in GBP

Inflation primarily impacts 2022; possible negative FX exposure in 2023

Parts Supply and Shortages

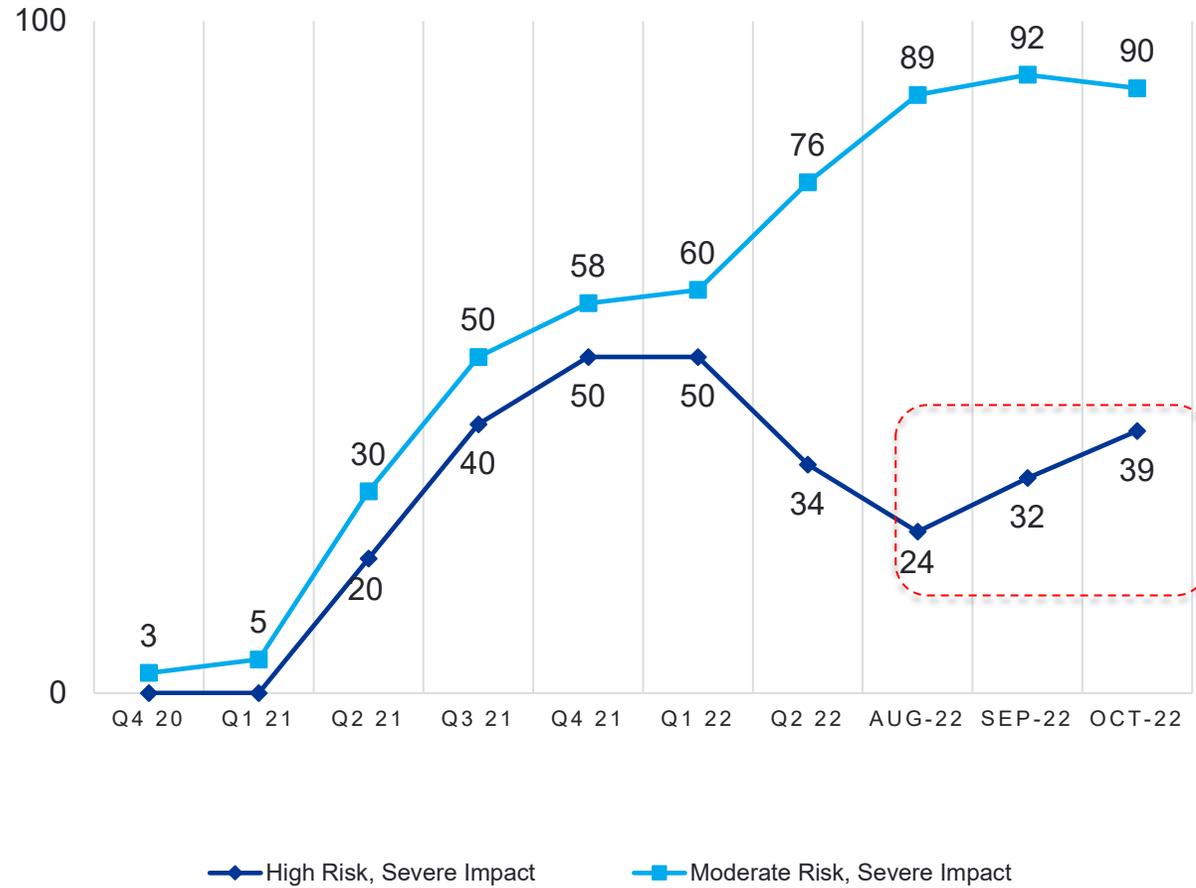
- The build-and hold plan developed as a workaround measure to deal with the 2022 Q2 critical module shortage has gone according to plan
 - The 117 EUs (~\$57M of WIP) of buses awaiting modules as of 2022 Q2 had decreased to 68 buses (~\$39M of WIP) as of the end of 2022 Q3; down to 0 EUs as of Nov 15, 2022
- New line entries were halted for a few weeks in October/November at New Flyer plants in North America for teams to complete unfinished buses and to allow time for suppliers to deliver overdue parts to production
- Production now continuing, but still at lower line entry rate. Build-and-hold occurring where required to accommodate missing parts
- Current supply challenges include mostly: wiring harnesses, electrical components, parts containing microchips, door controllers and destination signs
- Increasing spare parts inventory on hand at both NFI and suppliers where possible
- "Retro Teams" at each plant working around the clock to complete buses as missing parts arrive



Focus on decreasing WIP by completing and delivering vehicles missing components in 2022 Q4

Supply Chain Challenges

NFI High and Moderate Risk Suppliers (2020 Q4 to Oct 2022)



- NFI provides highly customized engineered-to-order buses mostly in response to detailed customer specifications and often with defined component suppliers
- The number of High Risk suppliers to NFI escalated rapidly from 2021 Q2 to 2022 Q4 and began to drop in H1 2022 showing positive signs of overall supplier reliability improving
- However, supply disruption escalated again rapidly in late September and October 2022. In a number of cases, suppliers provided NFI less than 2 weeks notice of a decommits from promised part delivery schedules
- Critical electronic and electrical component shortages remain the most impactful issue
- New Flyer chose to halt new vehicle line entries at all plants in late October/early November to allow longer supplier lead times and to focus on completing vehicles in finished goods missing certain components
- Seeing initial signs that recessionary impacts in the broader economy may help lower demand and reduce input costs

2022 Q3: Income Statement, Cash Flow and Liquidity

2022 Q3 Performance

	<u>2022 Q3</u>	<u>2021 Q3</u>
Sales	\$514.0M	\$492.0M
Adjusted EBITDA (\$M) ¹	(3.1%) ROS (\$15.7)	\$31.3 6.4% ROS
EPS (reported)	(\$0.56)	(\$0.22)
EPS (Adjusted) ¹	(\$0.63)	(\$0.16)

2022 Q3	Revenue	Adjusted EBITDA ¹
Manufacturing	\$395.9M	(\$36.8M)
Aftermarket	\$118.1M	\$18.2M
Corporate	—	\$2.9M

2022 Q3 Free Cash Flow & Liquidity

Free Cash Flow (\$M)

	<u>2022 Q3</u>	<u>2021 Q3</u>
Adjusted EBITDA ¹	(\$15.7)	\$31.3
Interest Expense	(\$18.8)	(\$17.1)
Current Income Tax	(\$7.2)	\$8.2
Cash Capital Expenditures plus Lease	(\$14.2)	(\$10.0)
Acquisition of Intangibles	(\$2.9)	(\$0.3)
Proceeds from disposition of property	\$0.4	\$0.5
Free Cash Flow (USD)²	(\$58.5)	\$11.7
FX Rate	1.3826	1.2652
Free Cash Flow (CAD)²	(\$80.9)	\$14.8
Dividends (CAD)	\$4.1	\$15.1
Payout Ratio	(5.1%)	102.0%

Liquidity¹ & Working Capital

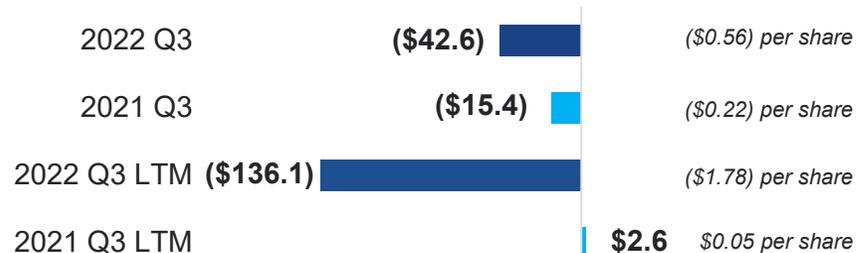
	<u>2022 Q3</u>	<u>2021 Q3</u>
Liquidity ³	\$471.4	\$320.1
Working Capital \$	\$422.1	\$445.2
Working Capital Days ³	70 days	68 days

1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies.
2. Represents a non-IFRS ratio, meaning it is derived from a non-IFRS measure, which does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. The ratio is calculated using adjusted net income, which is a non-IFRS measure.
3. Represents a supplementary financial measure.

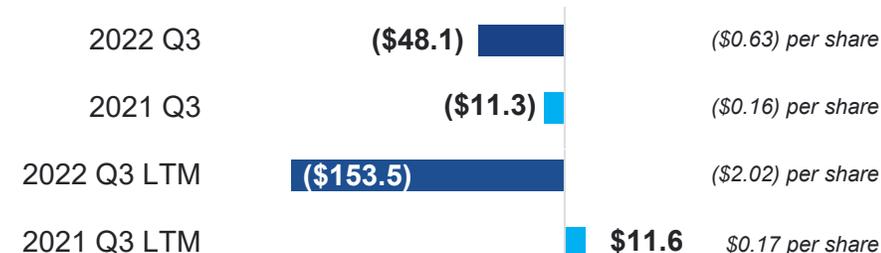
See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at www.sedar.com.

Net Earnings and Adjusted Net Earnings

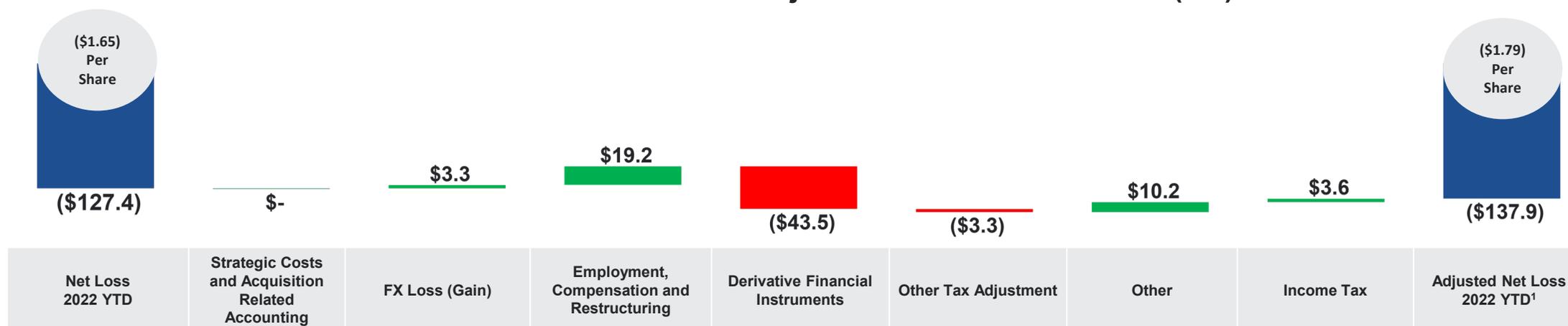
Net Earnings (Loss) (\$M)



Adjusted Net Earnings (Loss) (\$M)¹



Reconciliation – Net Loss to Adjusted Net Loss YTD 2022 (\$M)¹



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FY 2022 Financial Guidance: *updated Oct 24, 2022*

Revenue

\$2.0 billion to \$2.2 billion

ZEBs expected to make up 20% to 25% of delivered units

- Reduced production rates resulting from critical supply chain challenges, including shortages and delays of electrical components, microprocessors, and batteries
- NFI plans ramp-up in production and deliveries in H2 2023

Adjusted EBITDA⁽¹⁾

(\$40) million to (\$60) million

Negative Adjusted EBITDA in the first three quarters with positive Adjusted EBITDA in the fourth quarter

- No government wage subsidy grants in 2022, as compared to \$56 million in 2021
- Adjusted EBITDA depressed due to operational inefficiencies resulting from ongoing supply chain disruptions lowering production rates, with more pronounced impact in the first three quarters of 2022
- Ongoing inflationary pressures on components and raw materials, and lost time related to the ongoing global pandemic

Cash Capex

\$35 million to \$45 million

*~80% allocated to maintenance and R&D;
~20% allocated to NFI Forward projects*

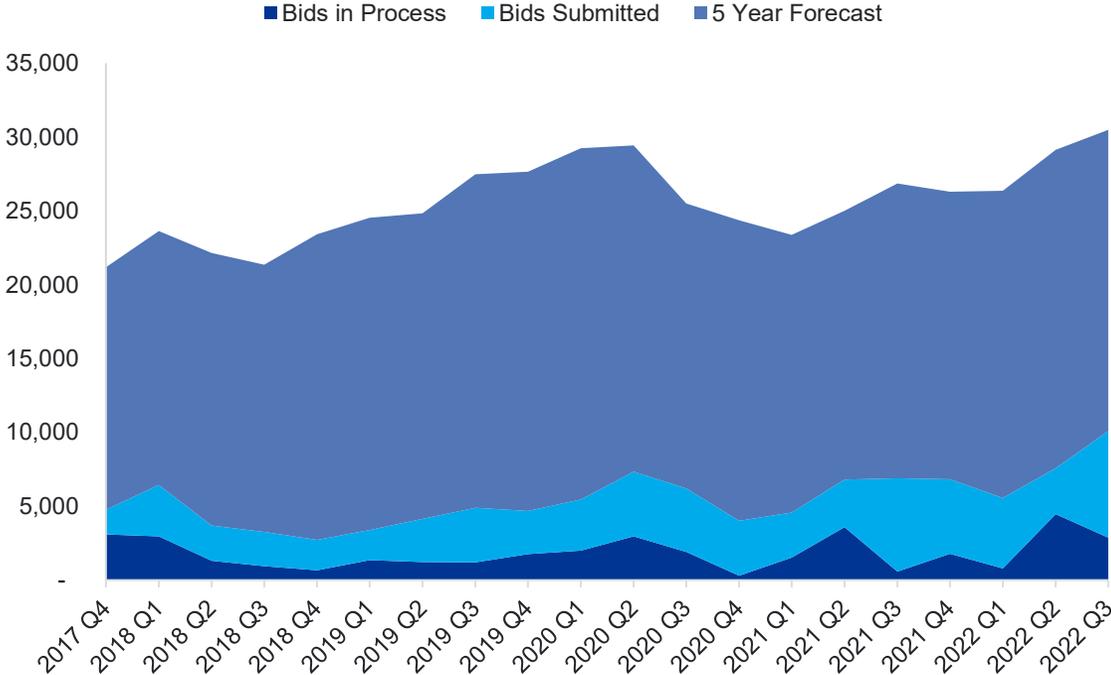
- ZEB innovation projects underway for International (ADL) and North American EV growth projects
- Continue NFI Forward projects and launch of NFI Forward 2.0
- Allocate resources based on:
 - Maintain production run rates
 - Invest in strategic R&D projects

The conflict in Ukraine has not materially impacted NFI's production or operations to date; NFI's outlook for 2022 and beyond does not reflect any potential escalated impact on supply or other factors rising directly or indirectly as a result of the Russian invasion of Ukraine.

Strong Public Market Bid Universe continues

Canada and U.S. Public Market Bid Universe

Avg. timeline from bid release to production = 12 to 18 months



2,881 EUs

Bids in Process

7,226 EUs

Bids Submitted

20,377 EUs

Five-Year Procurement Outlook compiled from Customer Fleet replacements plans

+47%

Active Bids increase from 2021 Q3

NFI Benefiting from Purchasing Schedules:

20+

Purchasing Schedules with NFI named

1,000+

Vehicle awards from Purchasing Schedules¹

Since inception, **NFI Infrastructure Solutions™** has been responsible for the installation of **296** plug-in and **37** on-route charger projects for **51** different customers, with projects-in progress with **11** customers.

2022 FTA Low-No and Buses & Bus Facilities Awards



**Federal Transit
Administration**

~\$200M

in grants to New Flyer
partners

15

transit agencies with New
Flyer as named partner

- Subsequent to quarter end, NFI announced that New Flyer had been named as the preferred partner on FTA Low- or No-Emission and Buses and Bus Facilities Grant Programs with several transit agencies across the United States
- These awards will be added to NFI's backlog as contracts are completed and formal purchase orders are received, providing future backlog growth opportunities for NFI. An error in NFI's original press release has been corrected
- Note that these grants provide a portion of the total contract value, as local funds will also be used. Grants are unique to each operator and can include both rolling stock and infrastructure
- In addition, approximately \$800 million in Low-No and Bus and Bus Facilities grants were provided to US transit agencies that had not yet formally named a preferred partner, which the Company expects will generate future bidding activities going forward

Recent Wins Strengthen 2023 – 2025 Expectations



Transport for
Greater Manchester

50 EUs (50 double-deck ZEBs)



40 EUs (ARBOC)



54 EUs (27 ZEB), with
options for up to 38
additional EUs

Numerous small- and mid-size ZEB orders announced in 2022 Q3; examples include:



Columbus, OH



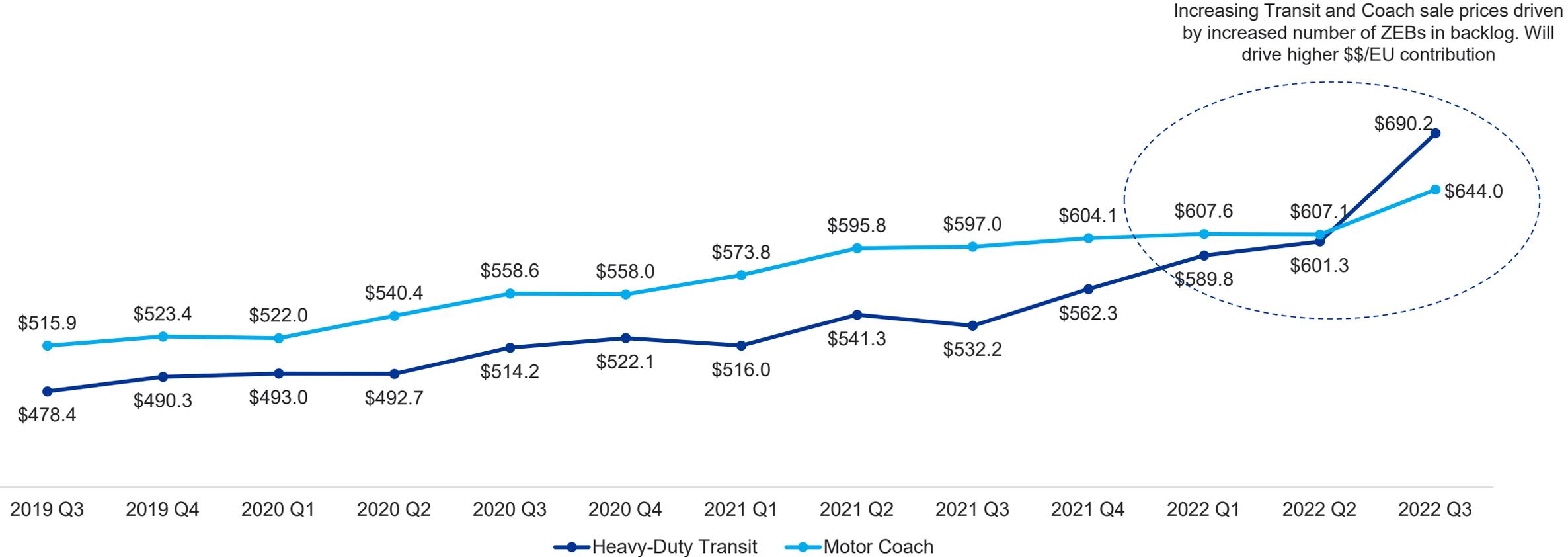
Reno, NV



Buffalo, NY

- 453 EUs in new orders in 2022 Q3
 - Includes 100 EUs from state schedules
- 1,360 EUs in bid awards pending¹ at end of quarter, which will support 2022 Q4 backlog growth
- Highest number of bids submitted on record in one quarter
- Active bids up 47% year-over-year
- Subsequent to quarter end, ADL received the largest UK bus order since 2019 for 200 double deck buses

NFI Backlog: Average Sales Price per EU



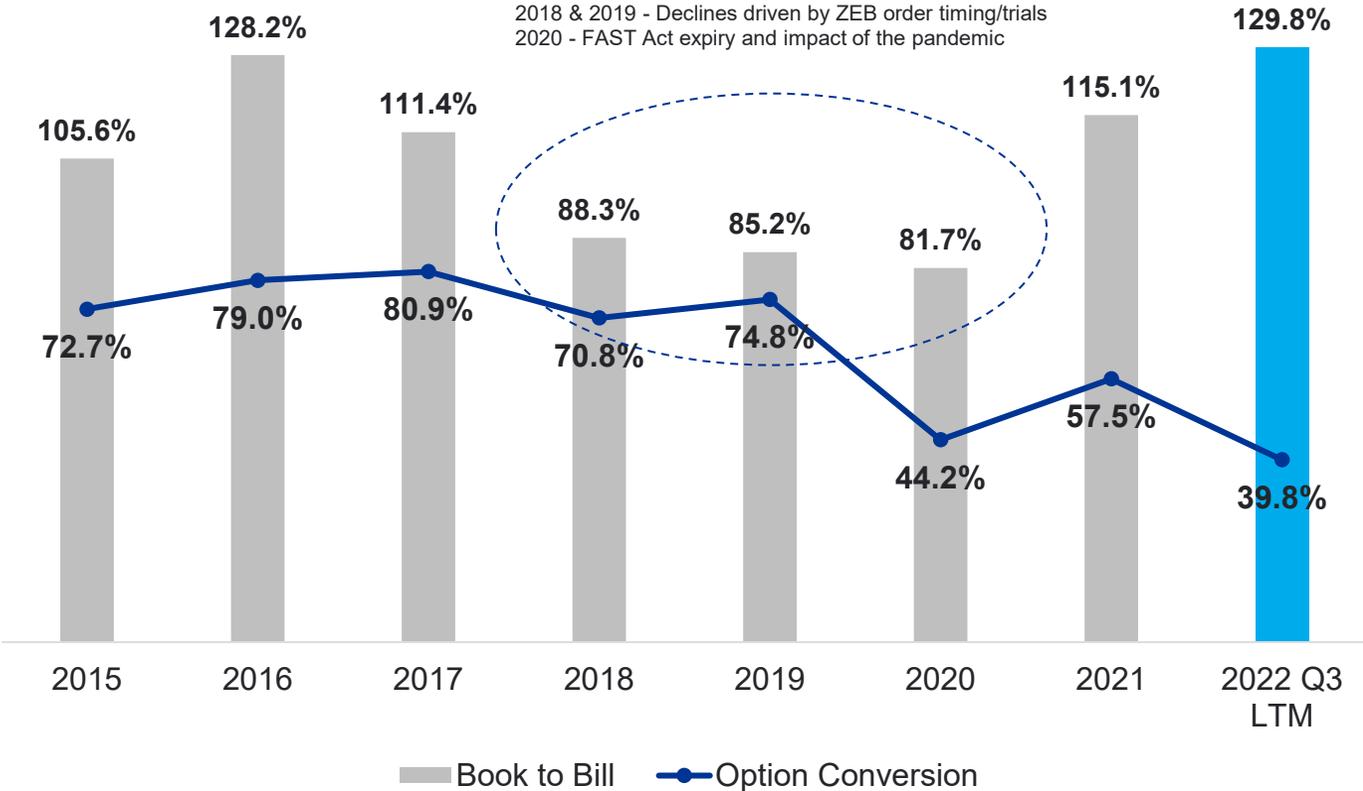
Backlog reflects higher pricing and increased ZEB orders

Book-to-Bill Recovery continues above 100%

LTM Book-to-Bill recovered to over 100% in 2021 and 2022 Q1, and to 130% in 2022 Q3, driven by increased bid and award activity in combination with lower delivery volumes.

Book-to-Bill is anticipated to remain above 100% throughout 2022 and 2023.

LTM Book-to-Bill and Option Conversion Rate (2015 – 2022 Q3)



Bid volume driving order increase



Book-to-Bill expected to be above 100% throughout 2022



Some historic ICE options in backlog will not convert and expired in 2020-22



Overall conversion rate expected to improve in 2023 through 2025 with more ZEB orders

2025 Financial Targets

Revenue

\$3.9 billion to \$4.1 billion

ZEBs expected to make up 40% of manufacturing revenue

- Driven largely by market recovery in North American Bus and Coach and UK transit
- Continued growth of ARBOC in cutaway and medium-duty markets
- ADL's international expansion in Europe and APAC
- More than doubles ZEB percentage of sales from 2021 levels
- Strong aftermarket parts performance

Adjusted EBITDA⁽¹⁾

\$400 million to \$450 million

- Increased volume of higher dollar margin ZEB sales
- Private markets begin to return to pre-COVID levels in 2023
- Significant volume drop-through with cost base reductions generated from NFI Forward initiative

ROIC⁽²⁾

>12%

- Adj. EBITDA performance combined with realizing upon benefits of investments made in facilities, products, acquisitions
- Potential tax upside may drive higher ROIC

1. Non-IFRS Measure.
2. Represents a non-IFRS ratio, meaning it is derived from a non-IFRS measures, which does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. The ratio is calculated using net operating profit after tax and average invested capital both of which are non-IFRS measures. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at www.sedar.com.

Why Invest in NFI?

Market Leader with Unprecedented Demand



- NFI holds market leadership positions in North American heavy-duty transit, motor coach, low-floor cutaway and aftermarket parts
- NFI is the market leader in the UK and the leading seller of double-deck buses in the world
- Historic public funding announcements in all core markets including:
 - \$100B+ investment in U.S. public transit through the Infrastructure Investment and Jobs Act
 - \$30B+ investment in Canadian public transit through dedicated Transit Funding Program and other initiatives
 - £5B investment in UK public transit and cycling
 - Planned replacement of over 35,000 buses from ICE to zero-emission

Key Competitive Advantages



- Leader in all markets with full suite of mobility solutions including vehicles, infrastructure, smart connected technology, diagnostics and aftermarket, warranty and service
- Decades of experience, investment, innovation and leadership in ZEB product development
- Largest manufacturing capacity with the ability to manufacture over 8,000 vehicles annually from ICE propulsion to Zero Emission
- Over 105,000 vehicles in service. Deep customer relationships forged through decades of performance and reliability
- Unparalleled aftermarket support and the largest service networks
- Implemented LEAN manufacturing capabilities and Hoshin Kanri execution
- Internal fabrication capabilities with significant insourcing

Compelling Financial Profile



- Poised for recovery with strong backlog and unprecedented bidding activity
- 2025 Growth Targets for \$400M to \$450M of Adjusted EBITDA with approximately 40% of production from zero-emission buses
- History of double digit ROIC¹ with target of 12% by 2025
- Lower capital intensity
- Strong Free Cash Flow generation with historic 50%+ conversion rate prior to the pandemic
- Diversified debt profile with senior revolving credit facility and subordinated convertible debentures
- 2022 year-end liquidity expected >\$500M

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A long-exposure photograph of a city street at night. The scene is dominated by tall, modern buildings with illuminated windows. The street is filled with light trails from moving vehicles, creating a sense of motion and energy. The overall color palette is dark with highlights from the city lights.

Appendix

Appendix: Financial Highlights

\$ M

(except EU and EPS)

	Q3			YTD		
	2022	2021	Change	2022	2021	Change
Deliveries (EUs)	783	752	4.3%	2,005	2,696	(25.6%)
Revenue	\$514.0	\$492.0	4.5%	\$1,371.3	\$1,649.0	(16.8%)
Gross Profit	\$7.6	\$39.4	(80.7%)	\$28.0	\$194.7	(85.7%)
Gross Profit %	1.5%	8.0%	-8152bps	2.0%	11.8%	-8271bps
Adjusted EBITDA	(\$15.7)	\$31.3	(150.1%)	(\$54.0)	\$138.0	(139.2%)
Adjusted EBITDA Margin %	-3.1%	6.4%	-14797bps	-3.9%	8.4%	-14708bps
Earnings from operations	(\$43.5)	(\$2.8)	(1454.5%)	(\$149.5)	\$50.8	(394.2%)
Net earnings	(\$42.6)	(\$15.4)	(2280.8%)	(\$127.4)	(\$5.8)	(2103.4%)
Net earnings per share	(\$0.56)	(\$0.22)	(154.5%)	(\$1.65)	(\$0.09)	(1733.3%)
Adjusted Net Earnings	(\$48.1)	(\$11.3)	(663.2%)	(\$137.9)	\$3.4	(4107.9%)
Adjusted Net Earnings per Share	(\$0.63)	(\$0.16)	(293.8%)	(\$1.79)	\$0.05	(3680.0%)
Orders – Firm (EUs)	388	445	(12.8%)	2060	2089	(1.4%)
Orders – Options (EUs)	65	340	(80.9%)	1148	1028	11.7%
Total Backlog	8,505	8,103	5.0%	8,505	8,103	5.0%

Non-IFRS Reconciliation (2022)

Reconciliation of IFRS to non-IFRS As of October 2, 2022

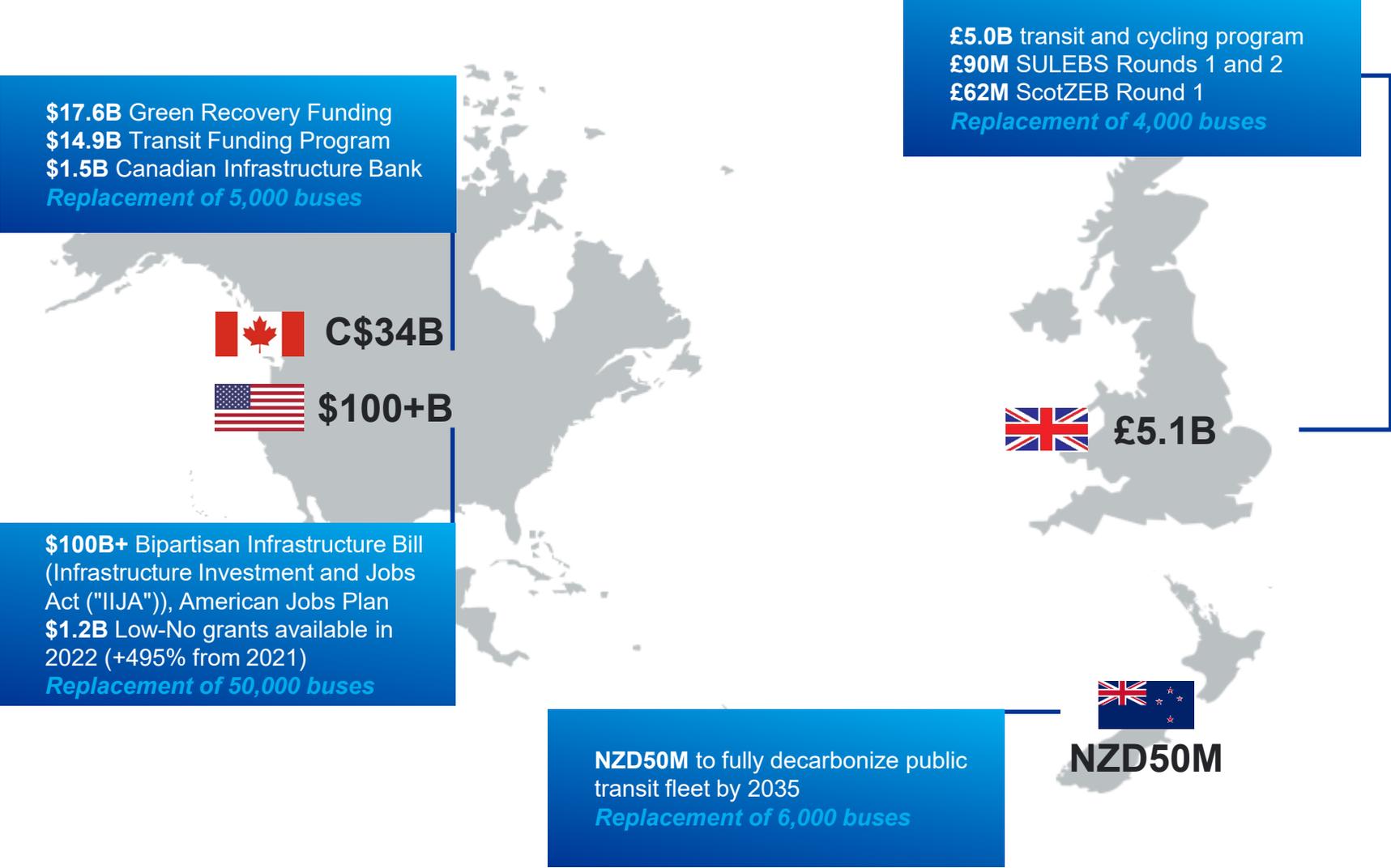
In '000	First Quarter	Second Quarter	Third Quarter	YTD
Net Sales	\$ 459,330	\$ 397,952	\$ 514,047	\$ 1,371,329
Net Earnings	\$ (28,068)	\$ (56,740)	\$ (42,595)	\$ (127,404)
<i>% of net sales</i>	-6.1%	-14.3%	-8.3%	-9.3%
Adjustment, Gross				
Restructuring and Other Corporate Initiatives	\$ 96	\$ 7,435	\$ 3,672	\$ 11,203
Derivative related	\$ (25,317)	\$ (9,888)	\$ (8,309)	\$ (43,514)
Foreign exchange loss/gain	\$ 4,767	\$ 1,046	\$ (2,482)	\$ 3,331
Equity settled stock-based compensation	\$ 285	\$ 243	\$ 421	\$ 949
Unrecoverable insurance costs	\$ -	\$ -	\$ -	\$ -
Asset related	\$ (373)	\$ (58)	\$ (544)	\$ (975)
Employment related (past service costs)	\$ -	\$ 7,000	\$ -	\$ 7,000
COVID-19	\$ -	\$ -	\$ -	\$ -
Other tax adjustment	\$ (180)	\$ (1,700)	\$ (1,428)	\$ (3,308)
Other	\$ 1,676	\$ 7,913	\$ 1,394	\$ 10,983
Income taxes	\$ 6,241	\$ (4,244)	\$ 1,813	\$ 3,808
Net Earnings - Adjusted	\$ (40,873)	\$ (48,993)	\$ (48,058)	\$ (137,927)
<i>% of sales</i>	-8.9%	-12.3%	-9.3%	-10.1%
Adjustments:				
Income taxes	\$ (16,070)	\$ (11,651)	\$ (10,518)	\$ (38,239)
Finance costs	\$ 16,650	\$ 19,018	\$ 20,583	\$ 56,251
Amortization	\$ 23,351	\$ 20,281	\$ 22,284	\$ 65,919
Adjusted EBITDA	\$ (16,942)	\$ (21,345)	\$ (15,709)	\$ (53,996)
<i>% of net sales</i>	-3.7%	-5.4%	-3.1%	-3.9%

Non-IFRS Reconciliation (2021)

Reconciliation of IFRS to non-IFRS As of January 2, 2022

In '000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 574,119	\$ 582,794	\$ 492,038	\$ 694,843	\$ 2,343,794
Net Earnings	\$ 7,033	\$ 2,588	\$ (15,415)	\$ (8,691)	\$ (14,484)
<i>% of net sales</i>	1.2%	0.4%	-3.1%	-1.3%	-0.6%
Adjustment, Gross					
Restructuring and Other Corporate Initiatives	\$ 2,372	\$ 166	\$ 9,501	\$ (677)	\$ 11,362
Goodwill Impairment	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative related	\$ (7,663)	\$ (3,990)	\$ (1,708)	\$ (20,142)	\$ (33,503)
Foreign exchange loss/gain	\$ 2,529	\$ 2,107	\$ 1,356	\$ 5,799	\$ 11,791
Equity settled stock-based compensation	\$ 650	\$ 502	\$ 293	\$ 293	\$ 1,738
Unrecoverable insurance costs	\$ -	\$ 718	\$ -	\$ -	\$ 718
Asset related	\$ (355)	\$ 10	\$ 643	\$ (186)	\$ 112
Employment related (past service costs)	\$ -	\$ -	\$ -	\$ -	\$ -
COVID-19	\$ 289	\$ 464	\$ 280	\$ 2,926	\$ 3,959
Other tax adjustment	\$ -	\$ 6,118	\$ (616)	\$ (2,833)	\$ 2,669
Other	\$ 40	\$ -	\$ -	\$ 3,231	\$ 3,271
Income taxes	\$ 1,164	\$ 14	\$ (5,650)	\$ 4,714	\$ 244
Net Earnings - Adjusted	\$ 6,059	\$ 8,697	\$ (11,316)	\$ (15,566)	\$ (12,123)
<i>% of sales</i>	1.1%	1.5%	-2.3%	-2.2%	-0.5%
Adjustments:					
Income taxes	\$ 6,422	\$ 1,909	\$ 1,261	\$ (2,948)	\$ 6,644
Finance costs	\$ 17,795	\$ 17,748	\$ 17,415	\$ 19,551	\$ 72,509
Amortization	\$ 24,564	\$ 23,502	\$ 23,970	\$ 25,117	\$ 97,151
Adjusted EBITDA	\$ 54,840	\$ 51,856	\$ 31,330	\$ 26,154	\$ 164,181
<i>% of net sales</i>	9.6%	8.9%	6.4%	3.8%	7.0%

Continued Public Transit Funding and Financing for ZEBs



Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the current expectations of management regarding the Company's future growth, financial performance and financial position and the Company's strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic and supply chain challenges. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including the temporary nature of the supply chain disruptions, the recovery of the Company's markets, the expected benefits to be obtained through its “NFI Forward” initiative, and the Company's October 24, 2022, financial guidance (the “Guidance”)). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company's press release dated November 15, 2022, and management discussion and analysis (“MD&A”) dated November 15, 2022, and the factors and risks contained in its Annual Information Form and other materials filed with the Canadian securities regulatory authorities which are available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date of this presentation and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

All figures in U.S. dollars unless otherwise noted.

Non-IFRS Measures

References to “Adjusted EBITDA” are to earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company as described in the Company's disclosure documents available on SEDAR at www.sedar.com. References to “ROIC” are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (calculated as to shareholders' equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).

Management believes Adjusted EBITDA and ROIC are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA and ROIC are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that Adjusted EBITDA or ROIC should not be construed as an alternative to net earnings or loss or cash flows from operating activities determined in accordance with IFRS as an indicator of NFI's performance. Historical reconciliations of net earnings to Adjusted EBITDA has been provided in the Company's disclosure documents available on SEDAR at www.sedar.com. NFI's method of calculating Adjusted EBITDA and ROIC may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers.

Appendix: Key Financial Definitions

- **Adjusted EBITDA:** Earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company. These adjustments include gains or losses on disposal of property, plant and equipment, fair value adjustment for total return swap, unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts, costs associated with assessing strategic and corporate initiatives, past service costs and other pension costs or recovery, non-recurring costs or recoveries relating to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, proportion of the total return swap realized, equity settled stock-based compensation, unrecoverable insurance costs, prior year sales tax provision, extraordinary COVID-19 costs, impairment loss on goodwill and non-recurring restructuring costs.
- **Free Cash Flow:** Defined as net cash generated by or used in operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, repayment of obligation under lease, cash capital expenditures, acquisition of intangible assets, proceeds from disposition of property, plant and equipment, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, defined benefit funding, defined benefit expense, past service costs and other pension costs or recovery, proportion of total return swap, unrecoverable insurance costs, prior year sales tax provision, non-recurring restructuring costs, extraordinary COVID-19 costs, foreign exchange gain or loss on cash held in foreign currency.
- **Return on Invested Capital (“ROIC”):** Defined as net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (calculated as to shareholders’ equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).
- **Adjusted Net Earnings (Loss):** Defined as net earnings (loss) after adjusting for the after tax effects of certain non-recurring and/or non-operational related items that do not reflect the current ongoing cash operations of the Company including: fair value adjustments of total return swap, unrealized foreign exchange loss or gain, unrealized gain or loss on the interest rate swap, impairment loss on goodwill, portion of the total return swap realized, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, equity settled stock-based compensation, gain or loss on disposal of property, plant and equipment, past service costs and other pension costs or recovery, unrecoverable insurance costs, recovery on currency transactions, prior year sales tax provision, other tax adjustments, extraordinary COVID-19 costs and non-recurring restructuring costs.
- **Adjusted Earnings (Loss) per Share:** Defined as Adjusted Net Earnings (Loss) divided by the average number of Shares outstanding



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